FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 131 *7 July 1978*

ARGENTINA

Videla To Announce Next Army Chief on 7 Jul	B	1	1/A6
Admiral Massera Returns From European Tour	B	1	1/A6
Massera Discussess Frigate Purchase in London [Asuncion PATRIA 5 Jul]	B	1	1/A6
Montoneros Army Leader Discusses Weapons, Tactics	B	2	1/A7

BOLIVIA

Candidates Queried on Role of Military	C	1	1/A8
Presidential Hopefuls Interviewed on Monetary Policy	C	2	1/A9
Lechin Oquendo Says 60 Percent of Voters Fraudulent	C	3	1/A10
Three OAS Election Observers To Arrive Friday	C	3	1/A10
Court Declares Tarija Registration Invalid	C	4	1/A11
Radio Fides Views Amazon Pact as Positive Step	C	4	1/A11

BRAZIL

Japanese, Barbadian Fishing Boats Seized	D	1	1/A12
Bolivian Deep-Water Channel Tied to Amazon Pact	D	1	1/A12
Figueiredo Says His Imposed Nomination Was 'Mistake' [O ESTADO DE SAO PAULO 5 Jul]	D	2	1/A13
Figueiredo's Economic Adviser Discusses Policy [O ESTADO DE SAO PAULO 5 Jul]	D	2	1/A13
Figueiredo Aide Denies Economic Adviser Named	D	3	1/A14
Bentes Monteiro Seeks Court Ruling on Front [O ESTADO DE SAO PAULO 5 Jul]	D	3	1/A14
Figueiredo on Human Rights in 'Enemy' Countries	D	3	1/A14
Geisel Vetoes Public Employee Unionism	D	4	1/B1

CHILE

SOMOS Reports Rumors of Replacement of Pinochet	E	1	1/B2
Cubillos Denies Reported Criticism of Landau [Sao Paulo O ESTADO DE SAO PAULO 5 Jul]	E	1	1/B2
Air Force Chief of Staff Discusses Embargoes	E	2	1/B3
Relatives of Missing Persist With Requests	E	2	1/B3

COLOMBIA

Justice Minister Questions Episcopal Declaration	F	1	1/B4
Small Bomb Explodes at Labor Ministry	F	1	1/B4
Oil Executive Kidnaped in Magangue	F	1	1/B4
Colombian Guerrillas Kill Four Peasants in Turbo	F	1	1/B4

ECUADOR

Poll Shows Duran Ahead in Presidential Race G 1 1/B5
Electoral Tribunal Questions Status of Three Parties G 1 1/B5
Roldos, Duran Discuss Oil, Agrarian Reform G 2 1/B6
Fare Increase Leads to Disturbances in Guayas G 5 1/B9

PERU

Teachers Will Continue Strike Indefinitely J 1 1/B10
Deadline To Be Extended for $184-Million Debt J 1 1/B10
$200 Million To Be Invested in Mining Expansion J 1 1/B10

URUGUAY

New Foreign Minister Says Policies Unchanged K 1 1/B11
Junta Denies Press Reports of Wrongdoing in U.S. K 1 1/B11

VENEZUELA

EL MUNDO Notes Opposition to Amazon Pact L 1 1/B12
Energy Ministry Says Oil Revenues Have Increased L 1 1/B12
Briefs: Military Appointments Announced; Iron Company Profits L 1 1/B12

MEXICO

Oil Situation Excellent; Enough Reserves for 250 Years M 1 1/B13
Venezuelan Oil Producers Visit President, Discuss Reserves M 1 1/B13
Mexico Seeks To Develop Own Nuclear Energy Potential M 2 1/B14
Military Authorities Release Arrested Persons M 2 1/B14
Briefs: Private Banks To Invest M 2 1/B14

PANAMA

Torrijos Addresses Colon Residents N 1 1/C1
Correction to Torrijos Speech in Veraguas N 6 1/C6

CENTRAL AMERICA

GUATEMALA

Police Chief Takes Hard Line on Guerrillas, Protests P 1 1/C7

HONDURAS

Newsmen Arrested; Government Denies Reprisal P 1 1/C7

NICARAGUA

Group of 12 Opens Office in Managua P 1 1/C7
Troops Reported in Shootout With Civilians in Jinotepe P 2 1/C8
Chamber of Commerce Objects to Tax Measures P 2 1/C8
Former Partner of Somoza Released From Jail P 2 1/C8

BRIEFS

FEMECA Elects New President P 2 1/C8

CUBA

Jamaican Prime Minister Pays Working Visit Q 1 1/C9
Ethiopian Scholarship Students To Arrive 8 July Q 1 1/C9
Rodriguez Attends Venezuelan Embassy Reception Q 1 1/C9
Sale of Arms to South Africa Condemned Q 1 1/C9

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38

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VIDELA TO ANNOUNCE NEXT ARMY CHIEF ON 7 JUL

PY070115Y Buenos Aires NOTICIAS ARGENTINAS in Spanish 2022 GMT 6 Jul 78 PY

[Excerpt] Buenos Aires, 6 Jul--It was reported today in official sources that Army Commander in Chief Lt Gen Jorge Rafael Videla will announce tomorrow to the army commanders the name of the general who will replace him [as army commander in chief] beginning 1 August. The sources added that the appointment will also be publicly announced tomorrow. It was reported that early tomorrow General Videla will hold successive, separate meetings with army major generals. It is believed that at these meetings the army commander in chief will announce his decision regarding his successor.

General Videla will hold separate meetings with the following major generals: Roberto Eduardo Viola, chief of staff of the army; Diego Ernesto Urricarriet, director of military industries; Carlos Guillermo Suarez Mason, I Corps commander; Santiago Omar Riveros, commander of military institutes; Luciano Benjamin Menendez, III Corps commander; Carlos Enrique Laidlaw, planning minister; Leopoldo Fortuna Galtieri, II Corps commander; Albano Eduardo Harguindeguy, interior minister; and Jose Antonio Vaquero, V Corps commander.

Although these meetings were not officially announced, the possibility began to take shape tonight when government house announced that the president of the republic will report tomorrow to his office at the Libertador Building in his capacity as army commander in chief. Friday's regular cabinet meeting will not be held tomorrow.

ADMIRAL MASSERA RETURNS FROM EUROPEAN TOUR

PY061320Y Buenos Aires TELAM in Spanish 1240 GMT 6 Jul 78 PY

[Text] Buenos Aires, 6 Jul--The commander of the navy, Adm Emilio Eduardo Massera, returned from France this morning. Admiral Massera arrived at Ezeiza International Airport at 0925 after visiting Romania, Spain, Great Britain and France.

MASSERA DISCUSSES FRIGATE PURCHASES IN LONDON

PY052038Y Asuncion PATRIA in Spanish 5 Jul 78 p 3 PY

[Text] London, 5 Jul--The purchase of navy material worth $900 million was analyzed here today by British industrialists and Adm Emilio Massera, member of the military junta and commander in chief of the Argentine Navy.

With regard to this, the "private" 4-day visit of Massera to Great Britain which ended today may conclude with the signing of an important contract for the purchase of armaments by Argentina, according to specialists.

As demanded by tradition, Massera's visit to the United Kingdom was kept completely secret.

However, it was known that Massera met last weekend with Sir Anthony Troup, vice president of the Vosper Thorneycroft shipyards.

Although nothing was released on the agenda, it was recalled that Argentina began "preliminary" negotiations with Great Britain about a year ago.

The negotiations were carried out with the object of purchasing seven "Amazone" Type-21 frigates, with a displacement of 3,000 tons, in a contract worth $900 million. The Type-21 frigate is built at the Vosper Thorneycroft shipyards in Southampton, on the southern coast of Britain.

At the end of last May, rumors regarding the purchase of navy materiel by the Argentine Navy were confirmed because of the visit to Great Britain by Vice Adm Armando Lambruschini, chief of staff of the Argentine Navy.

The conservative DAILY TELEGRAPH of London then estimated that the Argentine Navy was interested in frigates, submarines with standard power and Hawk training planes.

Lambruschini, as well as Massera, visited the shipyards of Vosper Thorneycroft, but both the British Defense Ministry and the chief of staff of the Argentine Navy refused to make any comments on the subject.

According to the sources, the contract discussed by Massera and Troup stipulates that six frigates will be assembled under Argentine license and the seventh will be cuilt in Great Britain.

The agreement also includes the supply of spare parts and the training of Argentine crews at a British base.

Massera arrived in Great Britain after his visit to Romania and Spain, and tomorrow he leaves for Paris.

MONTONEROS ARMY LEADER DISCUSSES WEAPONS, TACTICS

PY051806Y Paris AFP in Spanish 1624 GMT 5 Jul 78 PY

[Text] Madrid, 5 Jul--Horacio Mendizabal, head of the Argentine Montoneros guerrilla organization, said today during an interview published by the weekly CAMBIO 16 that the Montoneros army is abandoning the use of explosives and is developing a type of infantry warfare with light weapons.

Mendizabal explained that Montoneros squads are made up of five persons. He emphasized that this is, above all, a political army, and army of political militants, of Peronist Montoneros who recruit half their fighters from among students and half from among the working class.

He said that in 2 years, using small shops located in ordinary neighborhoods, this army manufactured 4,000 handgrenades, 1,500 rifle grenades, 1,500 kg of medium-power explosives and 850 kg of very powerful C2 plastic explosive.

According to Mendizabal, his men have invented a rifle grenade launcher and manufactured 250 of them. The organization has a considerable arsenal of light weapons taken from security forces, he claims. Mendizabal emphasized that the Montoneros army does not have privates, that its structure includes: commander, deputy commander, major, captain, first lieutenant, lieutenant, second lieutenant and sergeant. He said that they all receive the same salary, less than the salary of a skilled worker.

In conclusion, Mendizabal explained that what the Montoneros army aims to achieve with its rifles is not power for the sake of power, but free democratic elections in Argentina.

CANDIDATES QUERIED ON ROLE OF MILITARY

PY061943Y La Paz Radio Fides in Spanish 1640 GMT 6 Jul 78 PY

[Summary] The second of five questions put to the presidential candidates by Radio Fides is: Mr Candidate, if you are elected president, what role would you assign to the armed forces, and would you invite them to participate in your cabinet?

In answer to this question, Casiano Amurrio Rocha, the presidential candidate of the Revolutionary Front of the Left, said: [begin recording] I believe the role of the armed forces is to defend our territorial integrity and our borders. [end recording]

Marcelo Quiroga Santacruz, of the Socialist Party, stated: [begin recording] The role of the armed forces is defined by the state's constitution. It consists of defending our nation's territorial heritage, our national sovereignty, and upholding a legally established regime. The role which the armed forces have assumed during the past few years is absolutely contrary to the specifications of our country's constitution. They have backed a regime characterized by a grossly imperialistic policy, thus violating one of their main purposes, that is, defending our national sovereignty. After 6 August, the armed forces should return to their normal role among the country's, institutions. [end recording]

Juan Pereda Asbun, the presidential candidate of the People's Nationalist Union, said: [begin recording] The armed forces have a very important role in the defense of our nation. If necessary, my government will include members of the armed forces in the cabinet. [end recording]

The candidate of the Democratic Alliance of National Revolution, Victor Paz Estenssoro, answered: [begin recording] The next government has to be a transitional one. It is impossible to go from a dictatorship to full democracy. Therefore, limited participation of the armed forces in the government would be useful. The armed forces could have a very important role in the new government. I believe there should be a reorganization in the essential role which should be played by the armed forces. [end recording]

Luciano Tapia Quisbert of the Tupac Katari Indian Movement said: [begin recording] As I see it, today's armed forces have become the best instrument of imperialist domination. In order to overcome this situation the armed forces should be separated from the government. [end recording]

The presidential candidate of the Christian Democratic Party, Rene Bernal Escalante, stated: [begin recording] As specified in our constitution, the armed forces have a very vital role in our country. For example, they should defend our nation, guarantee the constitutional government and participate in the country's overall development. [end recording]

Hernan Siles Zuazo, of the Democratic and Popular Unity Front, said: [begin recording] The armed forces should fulfill their fundamental role in the defense of our country. However, in addition, I believe they can actively participate in our national life. [end recording]

PRESIDENTIAL HOPEFULS INTERVIEWED ON MONETARY POLICY

PY061902Y La Paz Radio Fides in Spanish 1640 GMT 6 Jul 78 PY

[Summary] Radio Fides has drawn up five questions and presented them to the seven presidential candidates. The first question is: If you are elected president, will you devalue the Bolivian peso? If so, why? If not, what economic measures will you suggest to slow inflation?

In response to this first question, Luciano Tapia Quisbert, presidential candidate of the Tupac Katari Indian Movement, said: [begin recording] I can't give a concrete answer at this time. Because of the isolation suffered by the Indian movement we do not have the appropriate statistical reports on the nation's economic situation. Therefore, we are not in a position to give an answer to this question. [end recording]

Rene Bernal Escalante, presidential candidate of the Christian Democratic Party, said: [begin recording] I am not in favor of devaluating the peso. However, to give an accurate answer to this question I should study the nation's economic situation in depth. My personal position is against currency devaluation because this always results in a cost of living increase which adversely affects all sectors of the nation. [end recording]

Hernan Siles Zuazo, presidential candidate of the Democratic and Popular Unity Front, expressed this opinion: [begin recording] Devaluation deeply affects low-income sectors. Therefore, my government will make every effort to avoid a devaluation and maintain the currency's present rate. [end recording]

The presidential candidate of the Revolutionary Front of the Left, Casiano Amurrio Rocha, said: [begin recording] My government would try to avoid a devaluation. [end recording]

With regard to this question, Juan Pereda Asbun, the candidate of the People's Nationlist Union, said: [begin recording] My government would implement measures to avoid the need for devaluations. I would like to rationalize Bolivian imports, especially imports which are not absolutely necessary, and reduce unnecessary expenditures. The government will need the people's help since it will not be able to grant unreasonable salary increases which would prevent the government from implementing the austere economic policy that I would favor. [end recording]

Victor Paz Estenssoro, of the Democratic Alliance of National Revolution, said: [begin recording] I would not favor currency devaluation. This is a measure which increases the burden on fixed low-income classes. My government would first try to solve the problem by other economic measures, but if these were not effective I would consider mini-devaluations. [end recording]

Socialist Party candidate Marcelo Quiroga Santacruz stated categorically: [begin recording] I would absolutely disagree with any devaluation. My government would take all necessary measures to prevent another devaluation. The devaluation ordered by President Banzer, under pressure from the International Monetary Fund, like any devaluation, greatly affects fixed-income families, savers, and all those subject to both wage freezes and inflation. Although Pereda Asbun is promising to avoid devaluation the people of Bolivia can be sure that if he is elected there will be another devaluation, bringing with it all the adverse effects of such a measure for the domestic economy. [end recording]

LECHIN OQUENDO SAYS 60 PERCENT OF VOTERS FRAUDULENT

PY061757Y La Paz Radiodifusora Cristal in Spanish 1130 GMT 6 Jul 78 PY

[Summary] Juan Lechin Oquendo, executive secretary of the Bolivian Labor Central [COB] and head of the Revolutionary Party of the National Left, has said during a press conference that electoral fraud will reach 60 percent in the coming elections. He said that he was never in favor of the elections called by the present government and that the appropriate thing would be to promote general abstention.

Lechin Oquendo said that only 40 percent of the registered voters are legitimate and that nearly 60 percent are fake.

Referring to the People's Nationalist Union [UNP], which supports General Pereda's candidacy, he asserted that it is not supported by the people. He said that UNP rallies in the cities have been poorly attended. [recorded passage indistinct]

Lechin Oquendo said that the presence of observers will not help prevent fraud. He said that the observers should have come to Bolivia at least 2 weeks ago. If they had come in time, he added, those observers would have become aware that the electoral process has shown no respect for opposition candidates.

When asked why he had not agreed to become presidential candidate for the Revolutionary Front of the Left, Lechin Oquendo said that since his arrival in the country he has not agreed that elections should be held and that therefore he has dedicated himself to reorganization of the Bolivian labor movement.

When asked what position the political parties should take he answered that it was already too late to do anything. The opposition parties can only protest this new imposition on the Bolivian people.

Regarding reorganization of the COB, he said that a national labor congress will be called in the next few months.

He revealed that he had taken part in plots in the course of his political career, but that he no longer believes in government changes through coups. He asserted that he would never again participate in plots, because he believes that social transformation and government changes should [words indistinct]

THREE OAS ELECTION OBSERVERS TO ARRIVE FRIDAY

PY050128Y Buenos Aires TELAM in Spanish 0040 GMT 6 Jul 78 PY

[Text] Three outstanding Latin American personalities will arrive in Bolivia today [as received] in order to observe this country's general elections on Sunday, 9 July.

The observers are former Foreign Ministers Julio Prado Vallejos, from Ecuador; Adolfo Molina Orantes, from Guatemala; and Cesar Augusto Batres, from Honduras.

The three prominent politicians were invited personally by the OAS in view of a resolution of the Permanent Council which approved a request submitted by the La Paz government.

All of them will arrive in La Paz on Friday.

COURT DECLARES TARIJA REGISTRATION INVALID

PY061407Y La Paz Radio Panamericana Network in Spanish 0000 GMT 6 Jul 78 PY

[Excerpts] The National Electoral Court has denounced the registration of soldiers in Tarija Department, in violation of the electoral law. A review of the registration books found many soldiers registered to vote in the 9 July elections. In view of this irregularity, the books including the registration of the soldiers were declared invalid, along with any voting from those lists.

The National Electoral Court also received a note from Paz Estenssoro's National Revolutionary Movement and the Christian Democratic Party demanding that registration in La Paz Department be declared invalid. (?The parties) maintain that no list or tally or registrations has been released for La Paz Department, even though registration took place about a month ago. They also note that the registration books have not been revised, in direct contradiction of the rules of the electoral game.

RADIO FIDES VIEWS AMAZON PACT AS POSITIVE STEP

PY031922Y La Paz Radio Fides in Spanish 1640 GMT 3 Jul 78 PY

["Is It True or Not" commentary: "The Amazon Pact"]

[Text] The Amazon Pact will be signed today in the Brazilian capital by Brazil, Guyana, Surinam, Venezuela, Colombia, Ecuador, Peru and Bolivia. These eight countries are signing an international agreement designed to exploit and protect the natural resources of the immense Amazon Basin, whose principal owner and interested party is Brazil.

Even this can be considered a victory for Brazilian diplomacy, which managed to overcome the distrust of the member countries of the Cartagena and Andean pacts. For a time these countries feared [words indistinct]. They feared that the Brazilian proposal to unite all nations surrounding the immense Amazon area would serve to annul the efforts of Andean nations to strengthen themselves against Brazil's power and impetus.

Itamaraty was kind enough to consult with the Andean nations and pointed out that the Cartagena Pact concerns a process of commercial integration, the product of a [word indistinct] market in the area. The Amazon Pact will provide for rational exploitation of the natural resources to protect and defend the great basin of the immense river and its tributaries.

We believe that any cooperation and integration agreement is positive as long as the agreement's wording agrees with its spirit. That is, if cooperation is mentioned, hegemony should not be understood. If joint programs are proposed they should not benefit one country at the expense of the others.

We welcome the spirit of joint efforts and distribution of benefits. Bolivia, as well as the other countries signing the agreement, will be able to profit from the advantages of joint efforts. At the same time, considering that Brazil's inevitable influence on its neighboring countries will continue to grow, we should always be alert that the new pact does not become another instrument to increase Brazil's economic power. [passage indistinct]

All cooperation is good, as long as (?everyone) benefits.

JAPANESE, BARBADIAN FISHING BOATS SEIZED

PY070229Y Paris AFP in Spanish 0142 GMT 7 Jul 78 PY

[Text] Belem, Brazil, 6 Jul--It was officially reported today that three Japanese and five Barbadian fishing vessels were seized by the Brazilian Navy while they were fishing illegally in Brazilian waters.

According to a communique released by the 4th naval district, the fishing vessels "Yutaku Maru 25," "Yutaku Maru 27" and "Yutaku Maru 31," flying the Japanese flag, and the vessels "Barbados 1," "Barbados 4," "Barbados 6," "Barbados 15," and "Barbados 20," all registered in Barbados, are being escorted toward this port by the destroyer [contratorpedero] "Rio Grande do Norte" and the corvettes "Solimoes" and "Angostura."

The communique adds that the eight vessels were seized in Brazilian territorial waters, off the coast of Amapa Territory, where they were carrying out illegal fishing operations.

During the last 30 days the Brazilian Navy has seized 19 foreign vessels as they were illegally fishing in waters under national jurisdiction, six of which still remain in port.

Brazil extended its territorial sea limits from 12 to 200 miles in March 1970 and in March 1971 it determined that foreign vessels should pay a tax for fishing in these waters once the governments of their countries had reached agreements with the Brazilian Government.

BOLIVIAN DEEP-WATER CHANNEL TIED TO AMAZON PACT

PY301328Y Rio de Janeiro O GLOBO in Portuguese 28 Jun 78 p 9 PY

[Excerpt] Brasilia--A formal agreement between Brazil and Bolivia for cleaning and dredging the Tamengo Canal, to provide Bolivia a permanent outlet to the Atlantic Ocean, is a high-priority goal of the Banzer government. Bolivian Ambassador Willy Vargas, who delivered a letter to President Geisel on the subject, stated yesterday that this would be a very clear and concrete expression of the new cooperation recommended by the Amazon Pact.

According to Ambassador Vargas, the outlet to the Atlantic will greatly benefit Bolivia, which will be able to route its exports through the River Plata Basin as was done during the last century when the canal was still navigable. That mission was entrusted to the ambassador by President Hugo Banzer, who wishes to formalize an agreement as soon as possible. However, according to the ambassador, this in no way replaces Bolivia's permanent desire for an outlet to the Pacific.

Ambassador Willy Vargas presented his credentials to President Geisel 2 days ago, just in time to be at the embassy during the meeting to sign the Amazon Pact. According to Vargas, the cleaning and dredging of the Tamengo Canal, which joins the Suarez Basin to the Paraguay River in Brasil, will permit the navigation of large ships from Bolivian territory--in connection with the railroad line linking Santa Cruz de la Sierra to the Brazilian border--to the River Plate Basin, passing down the Paraguay and Parana rivers. The transfer from railroad to ship will be made in the port of Villazon, near Corumba.

According to the Bolivian Ambassador, in addition to being a demonstration of political good will and of the beginning effectiveness of the Amazon Pact, the cleaning and dredging of the Tamengo Canal is a relatively simple and inexpensive project which will benefit both countries. An agreement between Brazil and Bolivia should also include the cleaning of the Tuyuyu Canal, which is located further north and which also drains into the Suarez Basin. It will also provide water supply to the inhabitants of the basin region.

FIGUEIREDO SAYS HIS IMPOSED NOMINATION WAS 'MISTAKE'

PY061517Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Jul 78 p 2 PY

[Excerpt] Gen Joao Baptista Figueiredo admitted yesterday for the first time that the National Renewal Alliance [ARENA] made "a political mistake" by imposing his candidacy on the party's delegates to the convention and forcing everybody to toe the same line. General Figueiredo expressed this opinion during an interview with Deputy Murilo Rezende, ARENA-Piaui.

FIGUEIREDO'S ECONOMIC ADVISER DISCUSSES POLICY

PY061513Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Jul 78 p 2 PY

[Excerpt] After a meeting between General Figueiredo and Miguel Calassuonno--consultant to the Presidential Planning Secretariat--dealing with economic policy, it was reported that the economic planning system will be changed, giving participation to other sectors in addition to the government technobureaucracy. Calassuonno became General Figueiredo's main economic adviser yesterday and he will act as the National Renewal Alliance candidate's coordinator with businessmen and other economic sectors "for the purpose of formulating an economic policy which includes the views of all those involved in economic activities, not just the views of those charged with official planning from the top down."

The first consequence of this new policy could be the reformulation or even discarding of national development plans if doing so becomes advisable after consultation with private economic sectors. The economic philosophy of Figueiredo's government, which will guide any modifications which may be introduced in the economic area, was defined by Calassuonno after his meeting with the general yesterday morning as being "against government control of the economy, because the general is convinced, as I am, that government control does not go hand in hand with democratization."

Without formally admitting that he has become an economic consultant to the presidential candidate--although they held an hour-long confidential meeting yesterday--Calassuonno said that the changes to be introduced in official economic planning "will not be based on orthodox ideas on economics, but on an effort to adjust that planning as closely as possible to the country's current economic stage, since its economic, social and political development is an ongoing reality which only calls for organization." Calassuonno believes that the new orientation to be followed for planning "will make possible a substantial decentralization of decisionmaking which will be less prone to circumstantial accomodations. The model will have adequate flexibility, but this must not be taken for improvisation."

According to Calassuonno, consultations will begin in August when Sao Paulo and northeast businessmen will meet with Figueiredo to present their concerns and suggestions. In addition to contacts with business circles, General Figueiredo will debate economic questions with and receive suggestions from university students, sociologists, workers, professors, economists and representatives of private sectors interested in the economy and development.

Calassuonno said that "there will be a wholesome melding of official planning theories with the practical experience of businessmen." With this new approach and the new working methods to be adopted, "changes in fiscal incentive mechanisms may be used to reduce regional disparities, and changes may be introduced in tax policy to that affect, after studies at the proper time."

Calassuonno then said that, for the first time in Brazil, a survey will precede the formulation of economic policy, so that this policy will be based on "reality," as determined through direct contacts with all sectors participating in the economic process. Approaching the formulation of economic policy in this new manner, "logically, the orthodox ideas which guided the government's measures will have to be dropped, and this will prevent conflict among sectors."

The first draft of new guidelines for planning and action in the economic field should be submitted to General Figueiredo by Calassuonno next week and the first groups to be consulted by General Figueiredo should start coming to his office in the first week of August.

FIGUEIREDO AIDE DENIES ECONOMIC ADVISER NAMED

PY061709Y Florianopolis Radio Diario da Manha in Portuguese 1515 GMT 6 Jul 78 PY

[Text] Said Abrahim Farhat, communications adviser to Gen Joao Baptista Figueiredo, has denied that Miguel Calassuonno has been asked to be economic adviser to the presidential candidate, as reported by some newspapers. He also said that no one else has been invited to join General Figueiredo's team in any capacity.

BENTES MONTEIRO SEEKS COURT RULING ON FRONT

PY061335Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Jul 78 p 4 PY

[Excerpts] Gen Euler Bentes Monteiro stated yesterday in Rio de Janeiro that "the National Renewal Alliance should file a complaint with the Electoral Court" against the National Redemocratization Front, which the government considers an illegal movement. He added that the "official candidate is enjoying privileges since he has been using means which are made available by the government itself, an act which I consider to be illegal."

In his opinion, there are indications that the government is afraid of the front, because many attempts at undermining the front were made by "several sectors," not only of the official party but also by "individuals." Bentes Monteiro considers that the ban on reporting when the front was launched in Sao Paulo also "reflects some governmental concern."

Finally, General Bentes rejected charges that the National Redemocratization Front is "sheltering leftists," and noted that the newspapers reported recently the endorsement of the movement by "former members of the hard line," citing the names of Col Sebastiao Chaves, Col Amerino Raposo Filho and Gen Helio Lemos.

FIGUEIREDO ON HUMAN RIGHTS IN 'ENEMY' COUNTRIES

PY011429Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Jun 78 p 14 PY

[Press conference held by Gen Joao Baptista de Figueiredo at Galeao airport in Rio de Janeiro on 29 June]

[Excerpt] [Question] Yesterday the former U.S. secretary of state held an interview during which he spoke about human rights and U.S. policy. He said that the United States should concern itself with human rights not only in friendly but also unfriendly countries.

[Answer] I believe that he is right.

[Question] Why?

[Answer] Well, why should we think about ourselves alone? Aren't the inhabitants of enemy countries men too? Aren't they human? Should we neglect their human rights just because they belong to an enemy country?

[Question] Would you say, then, that the United States is overly concerned with human rights in friendly countries?

[Answer] No. It is concerned with both friendly and unfriendly countries in general. This is the position of the church.

(Figueiredo's adviser Said Farhat interposed to correct General Figueiredo's interpretation of the question: "They asked you whether you believed that this concern was excessive...")

[Figueiredo] No. I see no excess.

[Question] With relation to the same subject, the OAS approved yesterday a recommendation to classify torture as an international crime. What do you think about this?

[Answer] Well, if the OAS approved this recommendation it did so because it really thought about it. Don't you think so?

[Question] But what do you think?

[Answer] I believe they are right. Torture is torture and it must always be rejected.

[Question] However, if it is classed as an international crime it will give rise to...

[Answer] (Interrupting question) I believe that each country must retain its sovereignty in dealing with this. However, I do not believe that there could be a decent government or country which would not view torture as something abominable. I do not believe it.

GEISEL VETOES PUBLIC EMPLOYEE UNIONISM

PY050353Y Brazilia Domestic Service in Portuguese 2200 GMT 4 Jul 78 PY

[Text] The executive branch has vetoed a draft law--originated in the Chamber of Deputies--whereby amendments are introduced to the articles of the Consolidated Labor Laws, granting the right to form unions to the employees of government and state-owned organizations.

In a message to the Chamber of Deputies, the president of the republic emphasized that union rights, especially the right to strike, are incompatible with the interest of the state and with the functioning of public enterprises such as the postal and telegraphic enterprise, the National Housing Bank, the Federal Economic Fund, the National Economic Development Bank and many others.

SOMOS REPORTS RUMORS OF REPLACEMENT OF PINOCHET

PY062259Y Buenos Aires SOMOS in Spanish 30 Jun 78 p 48 PY

[Text] Rumors about a possible presidential replacement escalated during the last 2 weeks in Santiago, stimulated by Gen Augusto Pinochet's uncomfortable position caused by the investigation which is being carried out in the United States into the murder of Orlando Letelier, former foreign minister in the Allende government, and the withdrawal of the U.S. ambassador accredited to the military junta which has governed the country since 11 September 1973.

In effect, FBI investigators have presumably obtained the names of the two exiled Cubans who placed the bomb under Letelier's car on 21 September 1976 and they have also presumably proved that the persons who committed the crime did so under orders from high-ranking Chilean Army officers attached to DINA [National Intelligence Directorate] headquarters.

For the first time since this government took power Pinochet has a potential replacement: Gen Hernan Brady Roche, who can presumably count on the support of the U.S. State Department and his comrades in arms because he is the highest-ranking officer after the president.

Nevertheless, on Wednesday Pinochet laughed about these rumors: "Brady is a very faithful man," he said.

CUBILLOS DENIES REPORTED CRITICISM OF LANDAU

PY061327Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Jul 78 p 2 PY

[Text of undated letter to editor from Chilean Foreign Minister Hernan Cubillos Sallato]

[Text] To the editor:

The 24 June issue of O ESTADO DE SAO PAULO, which I have just received, misquoted my remarks regarding the U.S. ambassador to Chile.

In fact, I never said that "the United States did very well in recalling Ambassador Landau because he was an incompetent who was misinforming his government."

I did not make this comment, first, because it is not in keeping with my character; second, because I hold Ambassador Landau in high regard and friendship and I acknowledge his professional skill; and finally, because Ambassador Landau was never recalled but instead was simply called for consultation, which is common international practice; and after staying in Washington for a week, he is now back in Santiago.

What I said was that I considered Ambassador Landau's call to Washington very positive, because he would then have a chance to personally brief U.S. officials on the status of U.S.-Chilean relations.

This statement was correctly disseminated by other correspondents and the media, including the OAS daily bulletin.

Because of the great respect which, as a former journalist, I have for O ESTADO, which I admire for its serious and objective reporting, I want to straighten out this situation, which I believe must have occurred due to a translation error by your correspondent, since no other newspaper--of the many which questioned me on this matter--carried quotes which I have now found necessary to correct.

AIR FORCE CHIEF OF STAFF DISCUSSES EMBARGOES

PY062011Y Santiago Chile Domestic Service in Spanish 1730 GMT 6 Jul 78 PY

[Text] The Chilean Air Force [FACH] can confront any conflict, despite the embargoes on materiel and spare parts imposed in Great Britain and the United States, according to FACH Chief of Staff (Jose Martinez Lemas).

Regarding the problem of the turbines for Hawker-Hunter planes, which were sent for repairs to the Rolls-Royce factory, the high-ranking Chilean officer briefly discussed the present situation. [recorded passage indistinct] General (Martinez Lemas) stated that Chile is seeking through all channels to obtain that permit and later alluded to the importance which the British press and Parliament are giving to this issue.

London newspapers, such as the DAILY TELEGRAPH and the TIMES, have issued harsh criticism for the delay in delivering merchandise belonging to Chile, specifically the Chilean Air Force. [recorded passage indistinct]

General (Martinez) explained that Chile is proposing the return of the four engines. The FACH chief of staff warned that these parts which are indispensable for FACH cannot be negotiated, not even with money. General (Martinez) made this statement because at one time British authorities tried to indemnify Chile for the engines, which are illegally detained, despite a court order favoring our country. General (Martinez) noted that this incident, which is taking more time than it should, does not at all affect Chilean security, [recorded passage indistinct].

Furthermore, regarding the embargo on material for the Chilean Armed Forces which are at a San Francisco customs office, General (Martinez) stated that this material was purchased in 1974 and that, therefore, this material is not affected by the Kennedy amendment passed on 30 July 1976.

General (Martinez) noted that Chile, therefore, hopes that this material will be sent to our country.

RELATIVES OF MISSING PERSIST WITH REQUESTS

PY070317Y Paris AFP in Spanish 0128 GMT 7 Jul 78 PY

[Excerpts] Santiago, 6 Jul--It was reported here today that 54 relatives of missing Chileans had requested that the Interior Ministry locate their relatives. Church sources reported today that Cardinal Raul Silva Henriquez had sent a letter to Interior Minister Sergio Fernandez to submit all reported cases [of missing persons] and to ask that they be considered and investigated. The sources have reported that the requests submitted today are designed to avoid future problems. Earlier, relatives of missing persons had announced the possibility of resuming their hunger strike if no official reply was given to their requests within a 30-day period which will end tomorrow, Friday.

JUSTICE MINISTER QUESTIONS EPISCOPAL DECLARATION

PA061351Y Bogota Cadena Radial Super in Spanish 0000 GMT 6 Jul 78 PA

[Text] Bogota--The government questioned today the originality of the analysis drafted by the Colombian Episcopate on the country's socioeconomic and political situation. Justice Minister Cesar Gomez Estrada said that the arguments presented by the Catholic prelates have been presented periodically, not only by the church but also by other organizations. Gomez Estrada said that the government does not feel directly affected by the statements of the Colombian bishops. The problems they present do not refer only to this government or only to Colombia. These are universal problems affecting the world in general.

The minister avoided further references to the episcopal declaration because, as he said: I have only read a synthesis of the most important parts of the document.

SMALL BOMB EXPLODES AT LABOR MINISTRY

PA031630Y Bogota Cadena Radial Super in Spanish 1100 GMT 3 Jul 78 PA

[Text] A low-powered bomb exploded at the Ministry of Labor last night without causing casualties. The incident occurred at No 1825 on 4th Avenue.

According to a police report, the terrorist action caused considerable damage to the building, but nobody was hurt by the explosion. No one has been arrested as yet.

OIL EXECUTIVE KIDNAPED IN MAGANGUE

PA021708Y Madrid EFE in Spanish 1451 GMT 2 Jul 78 PA

[Text] Bogota, 2 Jul (EFE)--Several armed persons today kidnaped oil executive German Silva, who was for several years connected with the Colombian oil firm COLPET.

According to official reports, Silva was intercepted by his kidnapers in downtown Magangue, in Bolivar Department, and forced to enter a private automobile. The victim is not a wealthy person and the action could be the result of personal vegeance.

This is the second kidnaping of an oil official this year. A month ago in Bogota the manager of the Texas Petroleum Company, Juan Nicolas Escobar Soto, was also kidnaped, and his whereabouts are still unknown. The authorities have already started their search for the new kidnaping victim.

COLOMBIAN GUERRILLAS KILL FOUR PEASANTS IN TURBO

PA031924Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 3 Jul 78 PA

[Text] A group of guerrillas of the Revolutionary Armed Forces of Colombia [FARC] broke into a bar this morning in El Dos Corregimiento, Turbo Municipality, and murdered four peasants. The guerrillas massacred Francisco Zuleta Valencia, Jose Murillo Buitrago, Ivan de Jesus Ortiz and Alberto Giraldo. Another peasant was seriously wounded. In the past 8 days a total of eight farmers have been murdered by FARC forces in Uraba.

POLL SHOWS DURAN AHEAD IN PRESIDENTIAL RACE

PA061641Y Quito Cadena del Triunfo in Spanish 1255 GMT 6 Jul 78 PA

[Text] The presidential poll that Datos del Ecuador, a polling firm, conducted for Radio Quito reflected a series of changes in voter preferences this week. The poll shows Sixto Duran Ballen, the center rightist candidate, holding first place with 24 percent of the votes among those polled in Quito. Last week, Duran had 22 percent and ranked second. Rodrigo Borja, the candidate of the Democratic Left, is now second with 22 percent, which represents [word indistinct] a slight decrease compared to last week, when he ranked first.

Third in popularity among Quito residents, with 14 percent of the votes, is lawyer Jaime Roldos, candidate of the Concentration of Popular Forces. Roldos advanced 2 points and went up one notch, compared to last week when he held fourth place. Next in popularity is Raul Clemente Huerta, candidate of the Liberal Party and an alliance of center leftist groups. This week Huerta has 11 percent; that is, 1 percent less than last week. Holding down the last places, in order, are Abdel Calderon Munoz of the Alfarist Radical Front and Rene Mauge of the Leftwing Broad Front.

Fifteen percent of persons polled said that they will either vote blank or annul their votes, or are still undecided.

Meanwhile, in Guayaquil, first place is maintained by Liberal candidate Huerta, closely followed by Roldos. Duran ranks third and Calderon fourth. Borja was relegated to fifth place and Mauge is holding his [word indistinct] in this race for power.

If these trends are confirmed within 10 days, when the elections are held, and if they could be generalized for the entire country, Duran and Roldos would obtain the first two places. Then they would go on to a runoff election, scheduled for September [as heard], during which the civilian president of Ecuador would be elected.

ELECTORAL TRIBUNAL QUESTIONS STATUS OF THREE PARTIES

PA061844Y Quito Voz de los Andes in Spanish 1730 GMT 6 Jul 78 PA

[Text] The Supreme Electoral Tribunal has confirmed that three political parties have not fulfilled the legal stipulations necessary to retain their legal status. These are the Patriotic Popular Party, the Alfarist Radical Front and Ecuadorean Nationalist Revolutionary Action. According to the tribunal's acting president, these parties should have registered candidates in at least 10 of the 20 Ecuadorean provinces to retain their legal status. The three parties have done so in only eight or nine province. Consequently, the acting president said, the law on political parties will be applied in their case. The Alfarist Radical Front has its own presidential candidate, economist Abdon Calderon Munoz.

ROLDOS, DURAN DISCUSS OIL, AGRARIAN REFORM

PA052324Y Quito Domestic Services in Spanish 2330 GMT 4 Jul 78 PA

["Frente a Frente" question and answer program moderated by unidentified announcer featuring presidential candidates Rodrigo Borja, for Democratic Left; Abdon Calderon Munoz, for Alfarist Radical Front; Rene Mauge, for Leftwing Broad Front; Jaime Roldos Aguilera, for People's Democracy and Concentration of Popular Forces; and Sixto Duran Ballen, for National Constitutionalist Front--presumably live]

[Excerpts] [Question] We would appreciate hearing the opinion of lawyer Jaime Roldos regarding the political role to be played in practice by the armed forces during the future administration and what would eventually be his position vis-a-vis the armed forces, bearing in mind that, according to political analysts, Latin America is ending a cycle of direct exercise of power by the armed forces. The trend in Ecuador and other countries is to surrender power to civilians. Do you think this will completely extinguish the political role of the military and their direct or indirect participation in exercising power and how would you handle the problem if you were elected president of the republic?

[Roldos] The role of the Ecuadorean Armed Forces will have to be the one set for them by Ecuador's constitution, that is, the draft constitution approved during the referendum of 15 January, which was totally and objectively supported by People's Democracy [DP]-Concentration of Popular Forces [CFP]. We feel that the armed forces have a mission and permanent national objectives to fulfill. We also feel that the country cannot be divided into civilians and military but into exploiters and exploited. We feel that, to the extent that the Ecuadorean people, the genuine Ecuadorean people, exercise political power, the armed forces will have to pigeonhole themselves. I am sure that they will do so within constitutional channels. It is worth noting that we are unflinchingly in favor of decisive and resolute popular participation. Furthermore, we have stated as a banner of our campaign that the government which will emerge on 16 July must not be a government arising from the bayonets or the checkbooks of the oligarchs.

[Question] Regarding the topic of the enterprises and (?since) we have the opportunity of clarifying, in regard to specific points, whether the five candidates represented here are, in the final analysis, more or less equal or substantially different, I am going to ask lawyer Roldos for his opinion about the respective fields of public and private enterprise, but with the very special request that his answer be very practical and not theoretical.

[Roldos] I thank you for the question and will answer it as briefly as possible.

We have said that we are defending a draft constitution that was the specific reason for the alliance between the CFP and the DP. That draft constitution establishes the fields of enterprise in the country, clearly defining them. Regarding the specific question of whether a sector should be public or private, I would like to point out that we advocate that public enterprise handle all natural resources and basic industries. [Words indistinct] referring to the case of transportation, control by the state must be sought. Mixed or communal enterprises (?do not exist). We are very much in favor of cooperatives in the agricultural and agroindustrial fields. The others set forth in the political constitution should go to private enterprise.

[Question] Lawyer Roldos mentions the enterprises handling natural resources as belonging in the public sector. A single such enterprise would handle, for instance, the petrochemical field and would require the investment of 37.5 billion sucres, at the current rate.

Therefore, in order to complete the idea he has just expounded before us, I take the liberty of asking with what resources will the government make such investments, because if it joins its investment with private foreign investments the end results may be much less satisfactory than expected.

[Roldos] Well, we are talking in general terms and I have set for.. how we view the state's decisive participation in regard to natural resources. Certainly, there are investments already. We have already talked about foreign investment in the field of industry, which is one of the aspects we defend, because we feel that foreign investments in the field of banking and services should be exclusively national. [sentence as heard] In a nutshell, it is necessary that the Ecuadorean state have foreign investments which at a given moment may be considered for the purpose of future nationalization. This is the specific case of the foreign consortium exploiting Ecuador's oil wealth, the ownership of which the Ecuadorean state has been gradually acquiring through the Ecuadorean State Petroleum Corporation [CEPE].

The country does not have the resources necessary to implement the large-scale project. We are defining the principle that should guide the state's policy. However, when this type of investment is indispensable because the state does not have such capacity, only the Ecuadorean state should seek investments in the field concerned.

[Question] I would like to ask Mr Duran to give us his opinion about the military government's oil policy and to tell us if he finds any phases in this policy with which he would or would not concur?

[Duran] A few minutes ago Mr Mauge referred to the oil activity of the previous government, which at a given moment suspended oil exploration. When this exploration was suspended, eliminating over 30 companies that were investing in the country, thousands of Ecuadorean workers were left jobless at the same time. The companies' building camps went bankrupt. The companies which were constructing roads suspended their contracts. Companies which were providing supplies to these camps stopped working. Therefore, the practical effect of this measure at that time was to stop a process which, until that time, only involved investments in the country. The exploration stage was not yet an exploitation stage involving benefits for third parties. It only resulted in a series of jobs of varied nature for Ecuadorean workers, who were then left without these opportunities. In my opinion, the suspension should not have been ordered just because no clause was included in the contracts--as should have been done--providing that Ecuador would be the only beneficiary of any positive results obtained from the exploration activities. Arrangements could have been made with each of the enterprises in the event they wished to engage in exploitation because positive results had been obtained from the exploration work. Contracts could have been renegotiated to make them beneficial to Ecuador either through a mixed enterprise system or through coparticipation with CEPE or any other favorable system.

The new opening just made by the present government for joint exploitation programs is, I believe, a much more correct decision and will eventually benefit the country. A few moments ago, in referring to large corporations, Mr Roldos very reasonably pointed out that since we do not have the resources we should permit foreign resources to be used. I believe that this explains both phases--or perhaps we should say three because there was one earlier--the three phases of exploring for oil. I believe that in the future we should encourage increased oil exploration as well as mining in general, and make contracts based on that exploration activity leading to eventual exploitation, which will benefit the country, contacts which include clauses that are just for the country and at the same time provide for a reasonable profit to the investor.

[Question] We have already talked about oil and [words indistinct] hydrocarbons which are possibly--not possibly, but evidently--the largest source of income Ecuador has. However, regarding the financial aspect and the fiscal policy, which are vital for the financing of any project that the next administration would want to implement, there is a need for tax reform that will permit the country to have: first, a more equitable tax collection system and second, greater revenues for the state through taxes. In this respect I would like to ask Sixto Duran Ballen if he feels that the tax reform is necessary and how he would implement it.

[Duran] Regarding the need for tax reform, I mentioned that there was a need in a television appearance many weeks ago. It is a need which is more evident today. Tax reform is a social measure because persons with lower incomes would pay lower taxes in view of the increase in the cost of living. At the same time, those who have higher incomes would contribute more to the progress of the country.

[Question] One of the chief sources of public concern is the sudden rise in the prices of staples which--in a neocapitalist system of public intervention and private participation like the Ecuadorean system--poses a profound question which I would like to put before Roldos. It is as follows: When prices are fixed by the government there is a tendency to set them too low. The producers then claim they have little incentive, supplies decrease and the country, in the long run, encounters great difficulties. If supply and demand are not controlled then it is said that there is speculation and prices increase excessively. What is the opinion of your party on this?

[Roldos] We feel that there is a need for price and quality control in the country. What is the real cost involved in the production of an item, and what is the quality of that item? A fair profit from that item can only be determined, or in more [word indistinct] terms, by the cost of its production. Another of the controls needed in the country, aside from establishing the cost of production, is that of commercialization. We believe that middlemen are one of the country's greatest problems, especially the middlemen in the agricultural-livestock sector. Any middleman who exploits the farmer also exploits the consumer. Consequently, if both problems--that of production costs and middlemen--could be tackled, we would then be able to establish a real price and control that price. We also think that it is indispensable--going back to the question on fiscal matters--for Ecuadoreans to make a greater contribution through direct taxation, according to their real capacity, thus efficiently avoiding tax evasion practices and indirect taxation. For example, in the case of the tax on business transactions, the tax on certain items could be reduced while that on other items increased so that one pays according to the type of item and not--as is the practice now--in an indiscriminate and generalized manner. Consequently, we do believe that price controls on staples are both feasible and necessary. We also feel that there is a need for effective control of middlemen. This also depends on administrative morality and on the system of control and those in charge of it. We believe that as long as there is administrative morality among top government officials we will be able to effectively carry out all this [words indistinct]. One of the main goals is precisely the moral regeneration of our country. We believe that this moral regeneration is feasible as part of a proposal that calls for the presidency and the ministries to set the example.

[Question] We would now like to discuss agrarian reform. It is said that agrarian reform is in a predicament. If it does justice in the matter of landholding, there is a risk of decreased production. I would like to ask Jaime Roldos if he thinks this is true and, if so, what he would do [words indistinct].

[Roldos] [Words indistinct] precisely agrarian reform. I feel that the country's problems are structural and have to be dealt with in this way.

Regarding agrarian reform, we have said that it is necessary to liquidate feudal holdings in our fatherland. We feel that agrarian reform must be approached not only from the productivity viewpoint but also from the social viewpoint, the holding of land. We have to start with the social problem of landholding first. That old adage which is still true--land for he who works it--must become reality in our fatherland. We are determined to promote a process of true agrarian reform so that all precarious landholding is eliminated. Actually, we do not believe this will cause low productivity.

The problem is that sometimes agrarian reform is effected but no collateral assistance is given and the program is left to its own fate so that it will fail and so that it can be said that agrarian reform failed. [sentence as heard] The Ecuadorean state must provide all that the peasant needs to make the land produce. We have seen that cooperatives can be one of the best solutions to this problem. Credit and technical assistance must be provided as well as the proper road network, irrigation and electrification, so that Ecuador can develop its true potential, its agricultural and livestock-producing potential. We cannot face the problem from the viewpoint of productivity, increasing the wealth of a few at the cost of poverty and hunger for the rest.

Consequently, emphatically and definitively, we favor an agrarian reform process that liquidates feudal landholdings and precarious landholdings and also permits--and we think this possible--an increase in production. Agrarian reform should be accompanied but not substituted by a process of decolonization, in order to increase agricultural production.

FARE INCREASE LEADS TO DISTURBANCES IN GUAYAS

PA052107Y Quito Voz de los Andes in Spanish 1730 GMT 5 Jul 78 PA

[Text] The problem of the new transportation fares has led to serious incidents in Milagro, Guayas Province.

According to various press reports, students have been demonstrating since yesterday and nearly 100 of them may have already been arrested.

The protesters want the fare hike for the route between Milagro and Guayaquil eliminated.

TEACHERS WILL CONTINUE STRIKE INDEFINITELY

PA070025Y Paris AFP in Spanish 1329 GMT 6 Jul 78 PA

[Text] Lima, 6 Jul (AFP)--Leaders for the teachers who have been on strike for the past 61 days today asserted they will continue with the strike despite government repression. Leaders of the Single Union of Education Workers [SUTEP] (leftist) said at a press conference yesterday that they are prepared to continue the strike until their demands are met.

They are asking for an increase of at least 690 soles ($40) monthly, employment stability guarantees and an end to repressive measures. They said that there are now (?22) teachers in several prisons in the country and about (?1,500) have been dismissed by the Education Ministry.

Last Tuesday Education Minister Gen Otto Elespuru declared that the solution to the conflict would be the lifting of the strike. According to SUTEP, the strike is supported by 95 percent of the (?200,000) state teachers. They added that they have the support of the parents of the students, and several allied unions are preparing to stage a nationwide solidarity strike.

Attempts at mediation by a group of bishops, delegations of parents and labor centrals have been unsuccessful.

DEADLINE TO BE EXTENDED FOR $184-MILLION DEBT

PY070338Y Lima Domestic Service in Spanish 0300 GMT 7 Jul 78 PY

[Text] Economy and Finance Minister Javier Silva Ruete announced that within 18 days an agreement will be signed in New York which will extend the deadline regarding the payment of over $184 million of the external until December which should have been canceled during the current [corrientes] 6 months.

He indicated that this agreement will help lighten the pressure regarding the foreign exchange crisis which the country is experiencing, thus allowing this money to be channeled toward the productive private sector of the country. He made these remarks during a ceremony in which $200 million was assigned to the national productive sector.

Silva Ruete also indicated that after a lapse of several months the Central Reserve Bank has reentered the market in order to supply, within its capabilities, financial resources for the import of goods.

$200 MILLION TO BE INVESTED IN MINING EXPANSION

PY051617Y Lima Domestic Service in Spanish 1200 GMT 5 Jul 78 PY

[Text] With the help of the World Bank and a special tax exemption system, CENTROMIN-Peru plans to increase the production of its copper, lead, silver, and tungsten deposits in the next 3 years. The project will demand an investment of $200 million, but overall production will yield approximately $100 million more per year from the first year.

Economy and Finance Minister Javier Silva Ruete has expressed his desire to see this project carried out, because mining is the sector which offers the best prospects to help the country overcome the crisis.

NEW FOREIGN MINISTER SAYS POLICIES UNCHANGED

PY062625Y Montevideo Radio El Espectador Network in Spanish 1553 GMT 6 Jul 78 PY

[Text] The country's new foreign minister, Ambassador Adolfo Folle Martinez, has just made a statement at government house, minutes after assuming his new post.

[begin Folle Martinez recording] I am very happy to meet with you for the first time and to tell you that my Foreign Ministry will be open to provide any constructive information which you may ask for, in order to enhance Uruguay's image abroad. The president and the commanders in chief of the armed forces honored me by offering me the post of foreign minister. I accepted this honor fully aware of the heavy responsibilities of the leader of the country's diplomacy, and, subsequently, our foreign policy spokesman.

The events which have taken place only mean a change in the leadership of the Foreign Ministry, which until now was very effectively and capably led by Ambassador Alejandro Rovira. Naturally, the traditional guidelines of our foreign policy--based on the principles of respect for sovereignty, nonintervention in domestic affairs, and a profound desire for peace, designed to strengthen our relations with all countries of good will which respect and practice these principles--will continue. Thank you very much. [end recording]

This was the first statement to the press by the country's new foreign minister, Ambassador Adolfo Folle Martinez, who assumed his post just minutes ago at government house.

JUNTA DENIES PRESS REPORTS OF WRONGDOING IN U.S.

PY050112Y Montevideo Radio Carve Network in Spanish 0000 GMT 5 Jul 78 PY

[Communique No 1/978 released by junta of commanders in chief of armed forced in Montevideo on 4 July]

[Text] International news agencies and the U.S. press have carried unofficial reports attributed to the police of the U.S. federal capital regarding members of the Uruguayan Armed Forces allegedly involved in threats and attacks upon an Uruguayan citizen. Also reported was a campaign against the present Uruguayan process being conducted in press, diplomatic, and union sectors of that country.

Therefore, the junta of commanders in chief has officially presented the following request, on an urgent basis, to the U.S. Embassy in Uruguay:

First, that all pertinent information be provided so that an appropriate response can be made.

Second, that measures be adopted to guarantee physical security and absolute freedom of expression to Uruguayan residents in that country.

Therefore, the junta of commanders in chief rejects and repudiates this nefarious charge, which is clearly contrary to the political and ethical tradition of the Uruguayan Armed Forces and government, which is similar to that of the United States.

EL MUNDO NOTES OPPOSITION TO AMAZON PACT

PA040133Y Madrid EFE in Spanish 2329 GMT 3 Jul 78 PA

[Text] Caracas, 3 Jul (EFE)--The newspaper EL MUNDO reported on its front page today that the Venezuelan opposition "has objections to the Inter-Amazonic Pact which will be signed in Rio de Janeiro today. According to the paper, the opposition parties and sectors believe that "the treaty does not diminish Brazil's expansionist pretensions" and that "there are economic aspects which clash with the outlines established in the subregional Andean Pact."

Foreign Minister Simon Alberto Consalvi has said that the treaty will serve to take better advantage of the resources of the immense Amazon Basin area. He affirmed that the mining and hydraulic resources and the fauna and flora of the region will be exploited with a conservationist outlook.

EL MUNDO said that the bicameral Foreign Policy Commission of the Congress harshly criticized the fact that "Venezuela is signing this pact without having consulted the country's civic forces." The paper added that those sectors maintain that Brazil "has tenaciously opposed the Andean Pact" and that the idea of the Amazon Pact was "conceived to oppose" the Andean Pact.

ENERGY MINISTER SAYS OIL REVENUES HAVE INCREASED

PA031610Y Caracas Radio Continente Network in Spanish 1000 GMT 3 Jul 78 PA

[Text] According to the weekly news bulletin of the Enrgy and Mines Ministry, Venezuela's oil revenues for the last week of this month [as heard] were 2,044,942 bolivars daily. The bulletin states that although this figure is not so high as those of previous years, Venezuela's oil production during this period is evidence that the country is making good progress toward the stabilization of crude oil production.

The country's national oil production had suffered declines that had even led to some reduction in the national budget. This resulted mostly from an increase in the world oil supply. However, according to the figures provided by the Energy and Mines Ministry, the situation is now returning to normal.

BRIEFS

MILITARY APPOINTMENTS ANNOUNCED--Defense Minister Gen Fernando Paredes Bello has announced changes in the upper military echelons. He said that Div Gen Giselo Payares will be appointed army inspector and Gen Angel Vicente Berrio Brito will serve as general staff chief of the army. Minister Paredes Bello said that Gen Abreu Rescaniere will command the 1st Division in Zulia State. He added that Gen Raul Amaral Sanchez will replace Div Gen Giselo Payares as commander of the Armoured Division. [Caracas Radio Continente Network in Spanish 1000 GMT 28 Jun 78 PA]

IRON COMPANY PROFITS--Ferrominera del Orinoco reported today that during 1977 the company contributed almost 500 million bolivares to the national economy in taxes, local purchases, payments to contractors, services, salaries, wages and other expenditures. It added that its gross profit for the year was 254 million bolivares and its net profit 109 million bolivares. [Text] [Caracas Radio Continente Network in Spanish 2050 GMT 3 Jul 78 PA]

OIL SHITUATION EXCELLENT; ENOUGH RESERVES FOR 250 YEARS

PA061428Y Mexico City International Service in Spanish 0300 GMT 6 Jul 78 PA

[Text] Mexico will meet its oil requirements for the next 250 years. Its reserves by 1982 will amount to 30 billion barrels of crude oil. Hector Lara Sosa, industrial consultant at Mexican Petroleum (PEMEX), said this to the EFE news agency today. Lara Sosa is one of the speakers at a seminar on hydrocarbons which began yesterday in Quito, Ecuador.

According to Lara Sosa, Mexico will realize those reserves as a result of the process begun in 1938 with the nationalization of that natural resource. This does not mean that we have always enjoyed a favorable situation, the expert explained. In 1971 we went from modest exporters to importers of crude oil and derivatives as a result of our lack of reserves.

He explained that as a result of its status as an importer, the 1973 world oil crisis, which led to an exorbitant rise in the price of oil, markedly affected Mexico's balance of payments.

Our country was saved that year by the oil deposits in Chiapas and Tabasco states, Mexico Province, which began producing on a large scale, he added.

Lara Sosa indicated that, in 1974, Mexico stopped importing oil. In September of that year, it once again became a crude oil exporter in spite of the fact that it continued to buy oil derivatives for domestic consumption.

Subsequently, he explained, we began refining the raw material until we began producing 1 million barrels per day [as heard] as well as byproducts which were converted into methane and several gaseous liquids.

According to Lara Sosa, it has been estimated that in 1980 Mexico will be producing 2.25 million barrles of oil per day. Finally, he said that PEMEX's skilled personnel had played an important role in turning Mexico into a hemispheric hydrocarbon power.

VENEZUELAN OIL PRODUCERS VISIT PRESIDENT, DISCUSS RESERVES

PA051951Y Mexico City International Service in Spanish 0300 GMT 5 Jul 78 PA

[Text] A group of Venezuelan oil industrialists headed by Gen Rafael Alfonso (Ramarte) called on President Lopez-Portillo here in the Aztec capital yesterday. The Venezuelan official voiced great admiration over the enthusiasm of the Mexican oil workers, enthusiasm which, he said, can only be compared to the interest that Mexico's oil reserves have stirred. He added that Mexico's oil industry has a promising future, which the Venezuelan people view with great affection and interest.

We are oil-producing and exporting countries, he said, and we are going to be participating in common activities in which we believe there is room for broad areas of cooperation, the director of Petroleos de Venezuela added. He said that the plans of the two nations should be channeled toward a spirit of cooperation in order to achieve utmost results.

In his visit to the Mexican chief executive, General (Ramarte) was accompanied by Jorge Diaz Serrano, general director of Petroleos Mexicanos.

The Venezuelan delegation included Dr Alirio Parra, director of marketing and supplies; Edgar Leal, director of finances; Leodolfo Leon, information and public relations coordinator; Hector (Riquete), director of (Pesquiven); Guillermo Rodriguez (Herazo), president of Lagoven; and Aquiles (Betomu), oil attache of the Venezuelan embassy in Mexico. The Venezuelan industrialists will also visit the installations of Petroleos Mexicanos and the Mexican Petroleum Institute in the Mexican Republic.

MEXICO SEEKS TO DEVELOP OWN NUCLEAR ENERGY POTENTIAL

PA061957Y Madrid EFE in Spanish 0826 GMT 6 Jul 78 PA

[Text] Mexico City, 6 Jul (EFE)--Mexico City will carry out negotiations with Germany, France and England to promote its nuclear development, it was reported here yesterday. It was said that these efforts are the essential reason for the trip undertaken on Tuesday by Mexican Foreign Secretary Santiago Roel to France and England.

The foreign minister, who left with the director of the National Institute of Nuclear Energy, Francisco Vizcaino, will negotiate a four-sided agreement with West Germany, France and England to process Mexican uranium.

In the past few months, Mexico has encountered obstacles with the United States regarding the delivery of enriched uranium for its first nuclear plant, Laguna Verde, which is now being built on the southeastern coast. According to yesterday's reports, Mexico will propose that uranium be enriched in Europe in order to affirm its independence in energy matters. Mexico has proven uranium reserves of 9,000 tons.

It is also known that Mexico is at present negotiating with Sweden and the USSR for its own enrichment of uranium in a plant that would be set up in the country.

On the occasion of President Jose Lopez-Portillo's recent trip to the Soviet Union, it was announced that the United States had lifted the condition of intervening in the Mexican security systems before delivery of the enriched uranium which Mexico ordered in 1974.

MILITARY AUTHORITIES RELEASE ARRESTED PERSONS

PA301344Y Madrid EFE in Spanish 0404 GMT 30 Jun 78 PA

[Excerpt] Matamoros (Mexico), 29 June (EFE)--The authorities today released 43 persons arrested during Monday's disorders in which three persons were killed and several were wounded. They had been arrested by the army, which is currently enforcing order throughout the city and which this morning turned the arrested persons over to civilian authorities.

Gen Ricardo Cervantes, commander of the local garrison, reported that order had been restored and that although troops will continue their vigilance, it will be less strict. He added that troops will continue to patrol "as long as it is necessary."

BRIEFS

PRIVATE BANKS TO INVEST--Mexico City, 28 Jun (AFP)--Under an agreement signed by Finance Secretary David Ibarra Munoz and the president of the Association of Bankers of Mexico, private banks will immediately invest about $696 million to promote the development of the agricultural, livestock, fisheries and low-cost housing sectors. The agreement includes establishment of a credit policy to encourage the production of agricultural goods. There will also be investments in the irrigation systems in northwestern Mexico. In the housing field, $260 million will be used for the construction of 20,000 low-cost houses. [Paris AFP in Spanish 0209 GMT 29 Jun 78 PA]

TORRIJOS ADDRESSES COLON RESIDENTS

PA060243Y Panama City Domestic Service in Spanish 1828 GMT 5 Jul 78 PA

[Speech by Panamanian Chief of Government Gen Omar Torrijos at Jose Guardia Vega School in Colon--live]

[Excerpts] Dear people of Colon: My presence here reflects the resumption of our civic dialog, the resumption of our patrols of the geography of the country and the resumption of the problems that can be found in the geography of the country. [sentence as heard]

Colon's problems are big ones, but these are a people with a lot of competence, with a lot of spirit to find solutions. The presence of a large crowd, the presence of thousands of Colon residents on the 16th to bear witness by their presence to the last legal act which begins the eradication of the enclave, that militant and large-scale presence made me think that this is a province with a great capacity to mobilize and organize itself for the solution of just causes.

These direct dialogs, without intermediaries, leave the government greatly strengthened and leave the population much more informed. Our mental makeup is conditioned to face challenges. Challenges are not resolved by being postponed. As a leader, I have not been characterized by the habit of turning my back and stampeding away when there is conflict. For this reason, I ask the forgiveness of the student sector, to whom I made a commitment in Farallon to visit them on a specific date and I was unable to be present. However, I was not present not because I gave more priority to problems other than to yours, but because I realized that the state of mind of the population made a profound, documented and impartial dialog impossible. I waited for some days to pass in order to be able to talk with you, in order to be able to listen to you and in order to be able to express to you a series of ideas, projects and measures which are coming in the very near future.

I am concerned about one thing, and I am going to say it quite sincerely. To the extent that popular organizations fail to defend their conquests and attack, and use their energy to attack those of us who made it possible for those conquests to be realized, to that same extent, can you unconsciously move leaders closer to those whom those measures have hurt. [sentence as heard]

The presence of those leaders of production who were here was possible because the government purchased a large quantity of hectares, several thousand hectares, to be incorporated into the geography of national production.

There is talk here of down with certain things. That is true. Many things must be condemned, but I would also liked to have heard applause for the measure which made it possible for many tools to be in the hands of workers today. I would have also liked to have heard some encouragement for the legal structure which created the peasant settlement and which created the means of collective production. Do not make us leaders leave with the feeling that everything is going wrong. Everything is not going wrong. Many things have been done, many other things will continue to be done and many things could have been done better. We did not do them as we should have. One has to be sufficiently honest to admit that we could have done some things better.

At present, a deep problem has emerged in national education. I have the feeling that we have overextended ourselves. A person cannot extend himself beyond his human resources. There are many cycles of production. Many new schools which have been organized which do not have enough professors because the country was not prepared at the level of intellectual tools to carry out the services or to supply schools to the most remote corners of the geography of our territory.

We all have to meditate--students, teachers, students, government--and design a solution which, without depriving our people of the hope that there will be schools no more than half an hour's walking distance or a 5 cent bus ride away, will allow us to properly equip those schools which we already have and later begin to expand in proportion to our ability to continue to support education.

I see great ideas and great answers here. This province requires, above all, decentralized administrations which do not have to ask permission from Panama [City] to initiate a project or to give permits to citizens who are requesting them. I promise you that we will work in that regard. I also know, and I will say so sincerely, that some of the components of the government structure are already tired and worn out. For this reason, I can say that in the years to come there will be new faces in the cars with the yellow stripe [official vehicles]. [applause]

I cannot permit student organizations to be judged by the actions of one student. That I cannot permit--the action of a single student. For this reason, I wish to ask the student organization not to judge the institution, the National Guard as an institution, by the bad action of one, two or three of its members. They do not represent the thinking of the institution or the thinking of the majority. Neither can we judge a man, the church--represented here by that holy man, Monsionor Serrano--we cannot judge the church by the action of a bad apostle. There must be bad men, bad cadres to serve as a point of reference for the thousands upon thousands of good cadres which exist everywhere.

Many of the problems which we are facing today have apparent causes and real causes. The apparent causes of Colon's problems are the student demonstrations, the disruption of public order, the minor confrontation between public forces and students which we would not like to see repeated because that would be a fight of the poor against the indigent and because if we do not take stock of the situation, if we do not stop this in time, we could return to the times of the past in which the man in uniform was the scourge of his own people. This will never happen again.

That is the apparent cause. The real causes are unemployment and the housing problem. These are the complex problems of this city, problems of Colon which range from a port complex to the rural problem of reforestation in Portobelo.

Sure we have problems, but we also have programs. What is more important is that we have a symbiosis, a communication between the people and government, and if these communications are maintained, we hope that all these problems can be solved with effective measures, as will be the case.

You can be sure that this administration this government team will not make a Singapore out of Colon. This will never happen. We will never turn Colon into a Singapore. If we are going to have a Singapore we must have the conditions and people of Singapore, and the people of Colon are the ones which least resemble the people from Singapore. I say this because when one opens the borders too much, vices, corruption and prostitution also enter through these openings. This is not what our people expect or that which the world, which helped us with so much dignity, expects from the Panamanian government. This will never happen.

Many problems in orientation occur because there has been a political blackout in a country. This was the case in Panama. Let us admit that. This has been the case. Let us forget whether it was necessary or not. Let us not judge the past. Let us look to the present. There have been labor persectuions. There have been student persecutions. There have been unions with mistaken orientations. Perhaps there have been labor conquests which went beyond what reality called for. But all this was the result of the political and information blackout, of the lack of political guidance in organizations which make up the fundamental base of the Panamanian people.

There is an objective truth: investments are paralyzed in Colon. The business sector, in spite of all the encouragement we have given it, does not want to invest in Colon. It is only now that they have shown a slight interest in establishing themselves in Colon. We must discover what is wrong. The people of Colon are hard workers, they are producers. The people of Colon are such willing workers that they do a day's work in less time than that required by other peoples in Panama. We must therefore analyze the problems from the point of view that we are attacking the real causes and not the apparent ones. The demonstrations affecting law and order are not ill-intentioned. They are caused because these men, who feel the problems of the country and the people, do not see a prompt solution to all these problems which we do not deny exist. We are here precisely to invite the people to help solve the real problems so that there will be no demonstrations of discontent afterward.

We must create wealth, but together with this we must share wealth. This must be done. But we cannot share the wealth that has not been created. We must realize that there is one of the highest unemployment rates in Colon and that this is a fact. On one hand--and I say this in order to continue the discussion and not as a political line--I see that there is a certain confusion regarding the demands of certain leaders. On the one hand, they demand the abolishment of the 5-percent sales tax and, on the other, they ask that the emergency plan be maintained. Gentlemen, the emergency plan is being completely financed with the funds obtained from this tax. If we eliminate the tax, we eliminate the emergency plan. We must discuss this. We would affect over 20,000 Panamanian mothers who today can take something home with dignity. Where we have failed--and in this we have all failed--is that no organization has presented me with an outline of a plan to allow these mothers to produce. To the extent that they produce, to that extent shall the plan be maintained. Let us accept that we have all failed in this. Let us be honest. We are being honest, and it is a victory to have a government which accepts its failures. It is a victory to have a government that comes before the spokesmen and leaders of its communities. It is a conquest when your sons can express without any kind of reprisals their opinions on the public administration and on the solution of the various problems.

When we think of politics we sometimes think of the people's political organization. This was said by the Student Federation or a student spokesman. How can we think that the Education Ministry can regulate the student associations and say that they should not be political? They are and should be political. So why should we deny that you are politicians or hope to become leaders of a people or a province? To pretend that the student organizations should be created for gardening or ornamental purposes is not realistic. Is this true or not? I am asking you, boys. Student organizations should be the material from which are shaped the future leaders of the nation because these organizations guarantee that these leaders will have a high degree of patriotic awareness. If we talk of these organizations we speak of politics. Let us not relate politics to the incidents of 1968. These incidents were buried 10 years ago by a process which, whether it is called revolutionary or not, can show the world and the country many conquests. The people by themselves would have had to pay a high social cost or would have had to pay in blood if the National Guard had not come to the conclusion that it was being misused and unless the National Guard had not come to the conclusion that it was shameful to continue as the armed branch of the worst sectors of the nation.

If we have to admit this, then let us speak of politics. But everyone speaks of politics according to his own opinions. Some think badly, but a large sector of the people think well. Therefore, the government has decided to create a high-level commission so that the various political sectors, and in this I include the students which are not gardening or ornamental sectors, will design ways to improve the system, because the conquest of the Canal Zone brings rights and responsibilities. The rights and responsibilities of national development also compel us to act on the basis of a national unity which is much more ample than the one we have followed so far.

We will create. We will incorporate a high-level commission in which both government members and representatives of the various political sectors will participate and present recommendations to the national legislation council so that, once the elections are over, we can think in terms of political organization, of sectors of opinion, of the leftwing, of the rightwing, of the middle wing, of all that range of political colors which underlie and exist among our (?1.8 million) Panamanians.

I know that the scheme calling for the unity of the executive and legislative branches has worked for the past 10 years. It worked because we had to act very quickly. But the country's national leadership does not intend to keep them united indefinitely. I know that the executive system, although separate, should be united by administrative ties, if possible, to those who carry out the tasks imposed by the laws. We do not oppose the idea that these [officials] be elected in whatever way the various sectors of opinion want them elected. We are not closed to opinions in that respect.

All this will be done parallel to the 6 August elections, where visible head of the revolutionary process will be elected. His name has not yet been announced, and he must be chosen by the 505 to be elected, by the new assembly of representatives.

All these constitutional changes can be brought about through the existing organizations. Do not misunderstand me, for this in no way interferes with the process we are currently implementing. Even our most severe critics have been unable to deny that it is a process in which the people have participated, for almost one-half of the electoral population has already voluntarily registered. This process is being closed [as heard] by the leaders of other countries and it made possible a political organization which advanced this country more over the past 10 years than it had advanced in its previous 60 or 70 years of republican life.

What I mean to say is that there is no stubbornness in this; there is no stubbornness. I do not want there to be any abyss between the leaders and the led. I want you to know that we are open, totally open to all suggestions that our country's political sectors may want to make. But in order to do this, we must now institutionalize this idea by appointing a high-level commission. Within a given deadline, this commission will present recommendations. These in turn will later be discussed with all active political organizations in the country.

We are also determined to call an extraordinary session of the assembly of representatives in August, and we will do so. The date will be set as soon as I contact the vice presidents of the assembly of representatives. Through the recommendations made by this high-level commission we shall begin redesigning and determining a political design or organization flexible enough to give participation to those sectors which are not participating today. That design will enable those rights, those duties and those conquests which we will now incorporate into our economy and geography to find a sufficiently organized country so that we will not later lament saying that due to a lack of organization we could not give a quick, flexible and orderly response to all the achievements that lie ahead of us.

I have realized and have reached the conclusion that this is a people who like to vote directly for their president or chief of state. The government will not oppose direct voting in the 1984 elections. We will not oppose that. If the people want that and the high-level commission suggests it, we will not oppose that idea. We will not oppose it because this government is not organizing itself to remain indefinitely. Rather, it is organizing itself within the framework of a continuation of changes regardless of who brings them about. That is where the altruism of the leadership of this process lies. We believe in change, regardless of who brings it about. There are other leaders who say: Changes are good so long as I bring them about myself. They personalize these changes and as a result of this personalization the changes are often not wrought.

The free zone: [Words indistinct] speak with the affection with which that great institution should be referred to in this province. We criticize the free zone possibly because of the conduct of some of its officials, but it seems that we are involving the institution itself. But what would Colon be right now, in these times of extreme unemployment, if we did not have a free zone? I wonder.

During my visit to Europe I sought to encourage--and succeeded in doing so--several European leaders to invest in the free zone through industries promoting development, preferrably those employing large numbers of persons. One of them told me that a commission from his country had studied the conditions under which the free zone operated, that is, its benefits or fiscal exemptions, and that these were not attractive enough to encourage their establishment here. The day that the fiscal exemptions are not attractive enough, the existing companies will go someplace else, and they may thus endanger somewhat the free zone's main source of work. But a great suggestion was made here--that the free zone should make itself attractive, that it should extend its benefits to its flanks and rear guard. The idea that the free zone should be grouped into cooperatives, into collective organizations, and that it should respond to the housing problems and to some of its employees' other problems is a pretty good idea, and I believe we could begin working on that.

I am deeply concerned over the fact that, although Colon is the area of the country where the Housing Ministry has done the most and where a neighborhood of 1,000 houses was dedicated, there is no understanding. Something is wrong here. Something is wrong and we are going to discuss this, because we have been massively present to resolve the housing problem.

I know you are very worried about the impact all the land, houses and installations will have on Colon's economy. I know you are very worried about not receiving benefits in proportion to the patience you have shown in enduring the presence of that colonial fence right in front of your houses and after being the victims of that victimizing colonial enclave.

Right now I would be a demagog and a liar if I were to say to you that I could tell you for whom each house will be built and who will receive what. But what I can tell you is that the studies already underway--many of the leaders who have talked here will participate in those studies--are aimed at the collectivization of the benefits derived from the Canal Zone. I will not exchange the "no trespassing" sign for one that says "beware of the dog." No. And if those houses are to be sold, they should be sold to those who already live there, to the Panamanian workers who live there but cannot make improvements or plant a mango tree because they are always insecure, knowing that if they are removed from their jobs, they will have to leave their houses within 30 days.

With the revenues received from the houses that will be given to those families under the same conditions that houses here are sold to Panamanian families, we will be able to implement more rapidly a plan to resolve the housing problem in the areas of your choice, wherever the people, say because I also know that if one constructs a neighborhood somewhere where the people do not want to go, the neighborhood may resolve the housing problems, but it also creates a serious problem with regard to social acceptance, that is, satisfaction with that solution.

I know you do not want this to remain the way is right now--an example of parasitic socialism--an island of wealth in a sea of many unsatisfied needs. That is not what this will continue to be. Rest assured of that.

I have told you that I came here to hold a dialog, I came to seek ideas, I came to listen to you, I came to apologize, I came to congratulate you, but I have not come here as part of an electoral campaign to make promises I cannot keep.

[Torrijos repeats himself] I have not come as part of an electoral campaign to make promises I cannot keep. I came for this purpose and I believe by mission has been fulfilled. [sentence as heard]

I congratulate these leaders for their courage in explaining Colon's problems as they see them. But they must also allow others to present these problems in accordance with their own views, because a country where there is no room for dissension is a country preparing to turn man essentially into a listener, and where such a thing happens, dictatorial regimes follow, or what is worse, Nazi, or fascist regimes, which do not respect the ideas of men and silence any sign of rebellion with submachineguns.

I leave with the satisfaction that we have been able to establish a style of government which allows men to express themselves and to do so respectfully and knowledgeably. I cannot leave without admitting that the presence of my brother Jimmy Lakas here has helped resolved many problems and that he is the first one to admit that some mistakes have been made. Not everything has been resolved since he has been here. Some errors have been made, but the final result has been positive.

Let us not continue fighting. Let us not continue fighting because we are going to be divided. We will be divided, and it is not good for the National Guard to resume the role for which we had previously been (?trained)--that of being the executioners of a generation that protested. Let us not continue fighting, because in me you will find sufficient understanding of all your problems.

Do not burn the principal's car. Then a new car will have to be bought, and the money that will be spent on it could have been used to resolve the peasants' problems. What good is there in burning the principal's car? Anyway, let us accept that act as a sign of rebellion in keeping with the rule that says that leaders think when they are hit.

Trust me because I shall not turn my back on you, and from now I promise you that we shall hold increasingly meaningful dialogs any time you want. The only thing I ask of you is that you schedule these dialogs for dates when I can give you my attention.

Just as I feel proud of Jimmy's work, I feel proud of the quarry [cantera] that the student organizations represent, of the quarry of leaders that those organizations represent. I feel proud because now I can see that, in the future, this will not be a country of lackeys, a country that will allow itself to be [word indistinct] or a country that will allow its dignity to be offended. Thank you very much.

CORRECTION TO TORRIJOS SPEECH IN VERAGUAS

The following is a correction to the item entitled "Torrijos Announces Political Changes," published in the 3 July Latin America DAILY REPORT, N 5, third paragraph, line four: substitute word "August" for "January."

GUATEMALA

POLICE CHIEF TAKES HARD LINE ON GUERRILLAS, PROTESTS

PA070033Y Panama City ACAN in Spanish 1459 GMT 6 Jul 78 PA

[Excerpts] Guatemala City, 6 Jul (ACAN-EFE)--The new police chief of Guatemala, Col German Chupina, announced today that he will conduct a harsh campaign against guerrilla groups operating in the country. "I am going to hit the guerrillas hard wherever they may be," Chupina said.

The new police chief stated that "street demonstrations will not be allowed without permission from the Government Ministry." Chupina warned: "We will not allow disorder."

HONDURAS

NEWSMEN ARRESTED; GOVERNMENT DENIES REPRISAL

PA061837Y Buenos Aires LATIN in Spanish 2252 GMT 6 Jul 78 PA

[Text] Tegucigalpa, 5 Jul (LATIN)--Manuel Gamero, director of the newspaper EL TIEMPO, and Roberto Ruiz, a cartoonist for the same paper, were arrested today, apparently for having reported on smuggling cases in which army personnel are allegedly involved. Judge Raul Robelo Ramos issued the arrest warrants and immediately took depositions from the newspapermen.

Gamero's newspaper published the reports on the smuggling activities as part of its coverage of the assassination of a couple who were allegedly involved in drug trafficking.

Col Erin O'Connor, culture, tourism and education minister, said that the arrest of the newspapermen "must not be interpreted as a reprisal" for the investigation the newspaper is trying to conduct into the couple's assassination. O'Connor said that "the government reaffirms its policy of respecting and enforcing respect for freedom of speech."

NICARAGUA

GROUP OF 12 OPENS OFFICE IN MANAGUA

PA070413Y Panama City ACAN in Spanish 0241 GMT 7 Jul 78 PA

[Text] Managua, 6 Jul (ACAN-EFE)--Ten members of the "group of 12"--belligerent opponents of Gen Anastasio Somoza's regime--opened an office in Managua today after their arrival in Nicaragua yesterday. The office is a mansion in Los Robles suburb, located close to the home of the late former Liberal cabinet Minister Jose Maria Castillo, which was attacked by a Sandinist group on 27 December 1974 during a diplomatic reception.

The house which will serve as office for "the 12" may be renamed "house of unity." The group, which remained abroad issuing statements demanding the democratization of Nicaragua plans to initiate activities immediately. A news conference has been called for tomorrow.

The group was received yesterday by thousands of Nicaraguans at Las Mercedes International Airport and during a tour of Managua and the Indian district of Mininbo in Masaya, 30 km east of Managua.

TROOPS REPORTED IN SHOOTOUT WITH CIVILIANS IN JINOTEPE

PA062245Y Paris AFP in Spanish 2232 GMT 6 Jul 78 PA

[Text] Managua, 6 Jul (AFP)--It was reported here today that National Guard troops this afternoon clashed with a group of unidentified attackers in downtown Jinotepe, 45 km south of here. Newspapers reported that soldiers stationed at the city's central park exchanged shots with civilians barricaded in a church tower.

CHAMBER OF COMMERCE OBJECTS TO TAX MEASURES

PA031317Y Panama City ACAN in Spanish 0034 GMT 3 Jul 78 PA

[Text] Managua, 2 Jul (ACAN-EFE)--The Nicaraguan Chamber of Commerce has voiced its objection to the fiscal reforms announced by this Central American government. In an official communique published in a local daily newspaper today, the business organization points to the "inefficient public administration of the past years and unjustified foreign indebtedness" as causes of the grave fiscal crisis of the state.

"As a direct result of this administrative disorder, an effort is now being made to decree new and elevated taxes. Examples of these are the increase in the general sales tax and the selective consumer tax. All this is happening just 3 and 1/2 years after the tax reform of November 1974, which the people of Nicaragua have borne with so much sacrifice," states the communique.

The Chamber of Commerce accuses the government "of having shown no interest in reasonably cutting back on public expenditures, instead increasing them in nonproductive areas without improving its efficiency in collecting the existing taxes."

Affirming that the precarious condition of consumers' purchasing power is the rest of an economic crisis caused by the government, the Chamber of Commerce exhorts the administration of President Anastasio Somoza to "reconsider its attitude, to abstain from decreeing new taxes which the people are unable to bear and to broaden the foundations of its present taxes, demanding payment from all who are obliged to pay and eliminating complacency and favoritism."

FORMER PARTNER OF SOMOZA RELEASED FROM JAIL

PA010206Y Panama City ACAN in Spanish 2151 GMT 30 Jun 78 PA

[Excerpt] Managua, 30 Jun (ACAN-EFE)--Arthur Shariton, a U.S. businessman, has been released after spending almost 1 year in jail in connection with embezzling an estimated 21 million cordobas ($3 million) from the Bank of Central America. The investor was tried for embezzling government funds and illegal association to commit a crime against several companies in which he was a partner of President Gen Anastasio Somoza.

BRIEFS

FEMECA ELECTS NEW PRESIDENT--Jorge Carpio Nicolle, director of the newspapers DIARIO EL GRAFICO and DIARIO DE LA TARDE, has been elected president of the Federation of Central American Communications Media [FEMECA]. Carpio was elected during the congress FEMECA held last week in San Jose, Costa Rica. The congress also decided that FEMECA's seat will be in Guatemala this year. [Guatemala City DIARIO DE CENTRO AMERICA in Spanish 21 Jun 78 p 6 PA]

JAMAICAN PRIME MINISTER PAYS WORKING VISIT

FL071025Y Havana Domestic Service in Spanish 1000 GMT 7 Jul 78 FL

[Text] Jamaican Prime Minister Michael Manley yesterday paid a working visit to Cuba. At the Jose Marti International Airport Manley was received by Commander in Chief Fidel Castro, president of the Council of State and government.

During the stay in our country, Manley and the delegation accompanying him held important talks on the development of the international situation in general, matters dealing with Latin America and the nonalined movement and the progress of the implementation of the declaration on the establishment of a new international economic order. Participating in the talks for the Cuban side were Commander in Chief Fidel Castro; Dr Carlos Rafael Rodriguez, vice president of the Council of State and Council of Ministers; Foreign Minister Isidoro Malmierca; Osmani Cienfuegos, secretary of the Council of Ministers executive committee, and other comrades.

After the talks Prime Minister Manely met with several members of the PCC Politburo and Secretariat, the Council of Ministers and the Provincial People's Government Executive Committee in Havana City. Commander in Chief Fidel Castro and Army Gen Raul Castro, first vice president of the Council of State and Council of Ministers, participated in all meetings held by Manley.

Prime Minister Manley's visit took place in an atmosphere of fraternal friendship in accordance with the current state of the relations between Cuba and Jamaica.

ETHIOPIAN SCHOLARSHIP STUDENTS TO ARRIVE 8 JULY

FL071125Y Havana Domestic Service in Spanish 1045 GMT 7 Jul 78 FL

[Text] Some 1,260 Ethiopian youths who will attend school on scholarships granted by our government will arrive in Cuba tomorrow aboard the Cuban passenger ship Africa-Cuba. The first group of passengers arriving on the Africa-Cuba are scholars, 9 to 17 years of age, the majority of whom are children of combatants of the Ethiopian militias and army who fell during the struggle against the Somali aggression.

RODRIGUEZ ATTENDS VENEZUELAN EMBASSY RECEPTION

FL071030Y Havana Domestic Service in Spanish 1000 GMT 7 Jul 78 FL

[Text] Carlos Rafael Rodriguez, vice president of the Council of State and Council of Ministers, has attended the reception given by the Venezuelan ambassador to Cuba, His Excellency Ramon Delgado, on the occasion of Venezuela's national day.

SALE OF ARMS TO SOUTH AFRICA CONDEMNED

FL011610Y Havana Domestic Service in Spanish 1000 GMT 1 Jul 78 FL

[Text] Cuba has reiterated its most energetic condemnation of the sale of arms and war materiel to South Africa as well as cooperation with that racist regime in the production and development of nuclear weapons. The condemnation is part of a message sent by the Cuban mission to the United Nations in response to a note received from that world body's secretary general reminding member nations of the contents of Resolution 418, which was approved by the Security Council and which orders a halt to the supply of arms to the Pretoria regime. After stressing support for the people enduring apartheid, colonialism, neocolonialism, racism and racial discrimination, the Cuban message repudiates and condemns the South African regime and those states supporting such practices.

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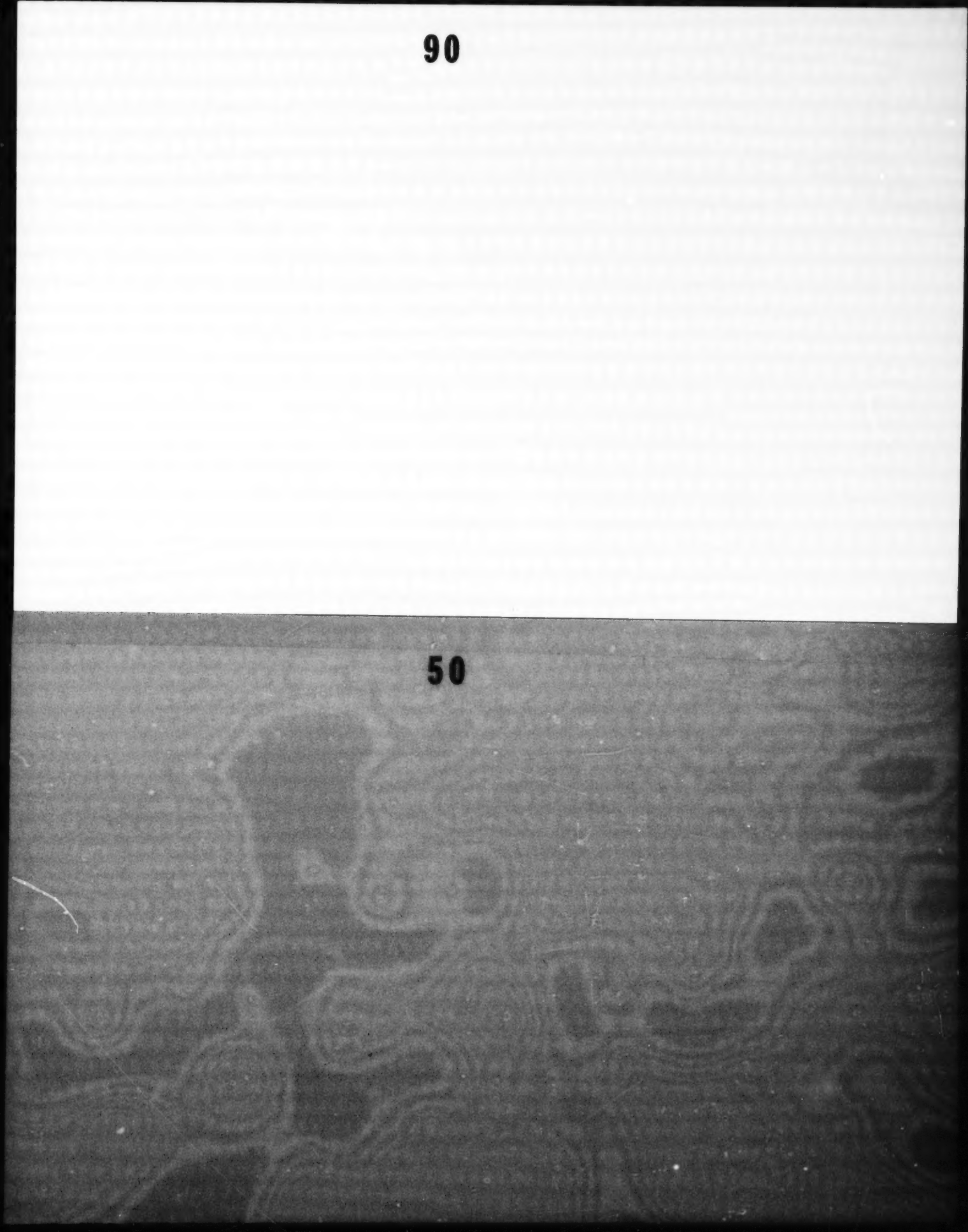
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